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C O N F I D E N T I A L SECTION 01 OF 02 BELGRADE 000745

SIPDIS

E.O. 12958: DECL: 05/10/2016
TAGS: PREL ECON EINV PHUM KIRF PGOV AMGT YI SR
SUBJECT: PRESIDENT TADIC COMPLAINS ABOUT, BUT HIDES BEHIND,
RIVALS ON KOSOVO AND DOMESTIC POLICIES

REF: BELGRADE 738

Classified By: Ambassador Michael C. Polt for reasons 1.4(b) and (d)

- 11. (C) Summary: Ambassador Polt met with Serbian President Boris Tadic on May 10 to gauge his mood on the political scene, prospects for Kosovo and the five issues offered one day earlier to the PM: (1) public statements calling for capture of Mladic, (2) sign our SOFA, (3) review the recently passed Religion Law, (4) build a rail connection for the US Steel plant, and (5) finalize the deal for the new U.S. Embassy building in Belgrade. The President downplayed the effect of Labus, resignation and speculated about the possibility of national elections in the fall. On Kosovo, Tadic noted that his common policy with the PM limited his maneuverability to be more creative on issues relating to an independent Kosovo. He painted a dramatic picture of a possible Serbian exodus from Kosovo. End Summary.
- 12. (C) One day after calling on PM Kostunica (reftel), Ambassador Polt and DCM met with Serbian President Boris Tadic and senior negotiator Leon Kojen on May 10 to gauge Tadic,s mood on the political scene following the resignation of Deputy PM Labus, prospects for Kosovo and the five steps offered earlier to the PM which the GOS can take right now to improve its standing in the U.S. and the international community: (1) a call publicly for the capture of Mladic, (2) sign our standard SOFA, (3) commit publicly to review and amend the recently passed Religion Law, (4) build a promised rail connection from the US Steel plant to a Danube port, and (5) finalize the deal for the new U.S. Embassy building site in Belgrade. Tadic was receptive on the specifics and offered a readiness to help. The President downplayed the effect of Labus, resignation and hinted at the possibility of national elections in the fall. On Kosovo, Tadic and Kojen said the Serbs have been stymied at the decentralization talks in Vienna and Tadic blamed the common Kosovo policy with the PM for his inability be more creative relating to an independent Kosovo. He painted a dramatic picture of a possible Serbian exodus from an independent Kosovo.
- 13. (SBU) Politics, Labus and Elections: Tadic said he must aworry8 about not only himself but also his rivals such as the PM and his coalition partners because he expects to need them as partners after new elections. He characterized the Labus resignation as an &important8 moral decision ultimately &without real consequence.8 He said Labus did not consult with him, the G-17, academics or other opinion makers and therefore there was no crafted, supportive response to his move. Tadic called the resignation a loss for the pro-Western bloc as he considered Labus the only significant link between the GOS and European institutions. Tadic predicted that Finance Minister Dinkic is planning to abandon Labus and take control, but Kojen quoted one G-17 MF as saying &a few of us are with Labus, 8 suggesting a possible G-17 split. On elections, Tadic casually opined that elections &in autumn8 could be the &right time.8
- 14. (U) Regional travel: Tadic will go to Sarajevo in &a few weeks8 as part of a planned tour including Zagreb, Mostar and Banja Luka as a method of encouraging stronger ties and easier travel between former Yugoslav republics.
- 15. (SBU) Mladic: Tadic said how the country handles Mladic is almost as important as apprehending him. The President disagreed with the PM,s preference that Mladic turn himself in, stating that it is &better for Serbia8 if the fugitive is arrested and turned over by force. Tadic does not expect Kostunica to change his position.
- 16. (C) Kosovo Decentralization Talks: Kojen bemoaned the situation for the Serbian delegation at the talks in Vienna. Kojen stressed that USG support for the GOS decentralization package would not only keep Serbs in Kosovo, but would help Serbia,s democrats face down the Radical threat. Tadic expressed frustration that the international community seemed to reject all GOS proposals.
- 17. (C) Kosovo predictions: When asked by the Ambassador to reflect on possible practical and constructive steps the GOS and USG could undertake in the event of an independent Kosovo, Tadic large demurred, saying it was not the right time for him to speculate on the failure of GOS policy. He emphasized that he had made a &huge effort8 to forge a

common policy with the PM at the behest of the USG and European countries and that this was the reason he had &little room to maneuver8 on such a question. The Ambassador assured Tadic that he was not trying to divide the President and PM, but to encourage creative thinking about dealing with facts on the ground. Tadic called non-acceptance of an independent Kosovo &a cornerstone8 of the common policy. Kojen said that if Kosovo becomes independent, will be &very little8 the USG could do with the GOS as that would be the &moment of maximum disappointment8 and many Serbs would blame the USG. Tadic could not resist painting a dramatic picture of Kosovo Serbs fleeing in the tens of thousands, warning that media coverage would lend itself as ammunition to the Radicals and Socialists who would frame the exodus as a &new Serbian tragedy.8 The Ambassador suggested that the Kosovo Serbs could eventually obtain a substantive package making their future in Kosovo possible. It would then be in Tadic and Kostunica, s hands as to how they characterized the ultimate settlement.

- 18. (SBU) Religion Law: Tadic claimed to have studied the legislation for seven days prior to signing, and said that as President he &must sometimes sign decrees even when I do not fully believe8 in them. He said he signed the law for practical reasons: a) strong support from influential religious quarters, b) the need to &maintain his political credibility8 and viability to accomplish his goals in other areas, and c) despite believing that &at least three paragraphs8 of the law are unconstitutional, Tadic said a constitutional judge told him the law was acceptable. Tadic stressed that he said he delineated his reservations about the law in a letter accompanying his signature of the law. Moreover, he said he would instruct his DS party to introduce into Parliament amendments to the law.
- 19. (U) SOFA: Tadic told the Ambassador he was &knocking on an open door8 about signing the standard SOFA but offered no specifics on making progress towards pushing the signing of an agreement.
- 10. (C) US Steel: Tadic agreed to look into the issue of completing the rail connection but warned that Minister of Capital Investment Illic is &busy spending money on local elections, but not on US Steel.8
- 111. (U) New Embassy Building: Tadic promised to contact City of Belgrade leadership to help speed the process of finalizing the deal.
- 112. (SBU) Ambassador,s comment: The purpose of this meeting with Tadic and the prior one with Kostunica was to continue to set the stage for more practical discussions of Serbia,s future after Mladic, after the Montenegro referendum, and after a Kosovo settlement. The list of &things you can do now8 I presented was simply a vehicle to remind both leaders that there are useful things they can focus on other than Kosovo status and their political competition to enhance Serbia,s standing with us and the international community. As expected, both were relatively quick to agree to act on many of the issues I raised, but neither was willing to talk practically about the day after a Kosovo decision. There was, however, one point of light between Kostunica,s and Tadic,s position. Kostunica was most emphatic that he would never accept Kosovo independence. Tadic said he would not accept it now, but that his future position, under predicted dire consequences, was uncertain. End Ambassador,s comment. POLT